

**REMARKS**

Claims 1, 5-7, and 9-14 remain in this application. Applicant respectfully requests reconsideration.

Applicant gratefully acknowledges the telephone interview with Examiner Jeffery A. Shapiro on September 3, 2009 wherein the patentability of independent Claims 1, 7 and 9 were discussed, specifically with respect to the additional structure of an upper banknote stabilizer and a lower banknote stabilizer located in the banknote passageway downstream of the starting sensor unit.

No agreement was reached as to the patentability of these limitations in combination with the other elements of the claims. However, Examiner Shapiro suggested that the specific shape of the banknote passageway between the opening of the passageway and the starting sensor unit appears to be unique. Applicant gratefully acknowledges the candid discussion with Mr. Shapiro.

Claims 1-3, 5, 6 and 9-12 were rejected under 35 U.S.C. §103(a) as unpatentable over *Ma et al.* (US 6,486,464) in view of *Ashurst et al.* (US 2004/0233618). Applicant respectfully traverses.

Claim 1 and claim 9 specifically recites, and neither *Ma et al.* nor *Ashurst et al.* disclose “an upper banknote stabilizer mounted in the banknote passageway along the path of travel of a banknote downstream of the starting sensor unit; a lower banknote stabilizer mounted in the banknote passageway, along the path of travel of the banknote, facing the upper banknote stabilizer and spaced from the upper banknote stabilizer a distance that will cause a banknote passing through the upper and lower stabilizers to flatten wrinkles in the banknote.”

Moreover, none of the references of record disclose a banknote detecting unit that has “a housing having a banknote receiving opening to a banknote passageway, the banknote passageway sloping upwardly from the receiving opening for a distance and then sloping downwardly to a flat passageway, the upwardly sloping portion of the banknote passageway adjacent the opening limiting the admission of ambient light.” Claims 2, 3, 5 and 6 depend from claim 1. Claims 10-12 depend from claim 9.

Applicant respectfully requests that this rejection be withdrawn.

Claims 7 and 13-14 were rejected under 35 U.S.C. §103(a) as unpatentable over *Ma et al.* in view of *Ashurst et al.*, and further in view of *Chen* (US 2002/0033968). Applicant respectfully traverses.

Claim 7, specifically recites and neither *Ma et al.* nor *Ashurst et al.* or *Chen* disclose or suggest “an upper banknote stabilizer mounted in the bank of a passageway along the path traveled of a banknote downstream of the starting sensor unit; a lower banknote stabilizer mounted in the banknote passageway, along the path of travel of the banknote, facing the upper banknote stabilizer and spaced from the upper banknote stabilizer a distance that will cause a banknote passing through the upper and lower stabilizers to flatten wrinkles in the banknote.”

Moreover, neither *Ma et al.* nor *Ashurst et al.* nor *Chen* show or suggest “a housing having a banknote receiving opening to a banknote passageway, the banknote passageway sloping upwardly from the receiving opening for a distance and then sloping downwardly to a flat passageway, the upwardly sloping portion of the banknote passageway adjacent the opening limiting the admission of ambient light.”

Claims 13-14 depend from and further limit claim 1 which contains the limitations recited above.

Applicant respectfully requests that this rejection be withdrawn.

In light of the above amendment and remarks, applicant respectfully submits that all the claims remaining in this application are in condition for allowance and respectfully requests that the claims be allowed and this application passed to issue.

Respectfully submitted,

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